MED-QUEST

Health centers brace for new rules

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Starting Jan. 1, most adults enrolled in the government's Medicaid program will have to show they work, volunteer or go to school part-time at least 80 hours in a month to qualify for healthcare under Med-QUEST, Hawaii's Medicaid program.

If not, they may be dropped.

The changes are a result of H.R.1, which U.S. Congress passed last year, requiring states with expanded eligibility for Medicaid coverage to impose the work requirements.

KFF, a health policy think tank, estimates the new requirements will reduce federal spending by $326 billion and increase the number of uninsured people in the U.S. by 5.3 million over 10 years.

In Hawaii, Medicaid is administered as Med-QUEST by the Hawaii Department of Human Services, and provides healthcare coverage for about 383,000 residents with state and federal funds.

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"These new requirements only apply to approximately one-third of Med-QUEST members," said DHS Med-QUEST Administrator Meredith Nichols in a statement. "Specifically, 19-64 year olds who are not pregnant, blind, or disabled and do not qualify for any exemptions. This law does not impact our keiki or kupuna."

She added that of the approximately 124,000 members subject to the new rules, about half already meet the work requirements or qualify for an exemption.

Health providers in Hawaii, however, are bracing for a financial hit as well as drop in patients covered under Med-QUEST due to the new requirements, which will present additional hurdles for a population already challenged on numerous fronts.

Rich Bettini, CEO of the Waianae Coast Comprehensive Health Center, has been bracing for the impacts for at least a year.

The center is one of the largest providers for Medicaid patients in the state, serving about 24,000. Of that total, the center estimates about 1,800 face new work requirements. Starting next year, members also will need to reenroll every six months instead of once a year, meaning more administrative burdens and potentially more losses in coverage.

He estimates about two-thirds of the center's revenue comes from Medicaid, and has already trimmed back the budget for next year, anticipating the drop.

"We are not in disagreement that from a health basis, work, vocation and avocation and learning is healthy," said Bettini. "There's not a doubt in my mind that people that have a direction, have a job, a meaningful place to volunteer or education — they change their attitude."

WCCHC itself is one of the largest employers in the area, providing about 700 jobs for many that live in the community.

But these new rules are especially challenging for a rural community like Waianae, where jobs and job training opportunities are limited, requiring travel to Kapolei or town to qualify. Due to traffic, he said, getting to even Kapolei from the back of Waianae Valley without a car presents numerous barriers.

These may sound like excuses, he said, but transportation issues are very real.

"We don't have the infrastructure yet in our rural community," he said. "So many things are concentrated in town, even training programs."

WCCHC has been working to set up local job training programs and a network of volunteer opportunities. Waianae needs more programs like the paid Emergency Medical Training program with American Medical Response where, instead of going to Diamond Head, emergency medical technicians can train close to home to meet work requirements.

The center's Food as Medicine programs, which run a farmer's market and food pantries, could also potentially provide work and volunteer opportunities. Still, Bettini said, more funding is needed to expand it and build a teaching kitchen.

The center has also hired outreach workers and set up kiosks at its clinics and at Tamura's Market to help people stay enrolled in Med-QUEST.

In a community where many patients are homeless or nomadic, without access to a computer, it's an uphill challenge.

"Especially in a high-risk community, you don't want people to lose their insurance," he said. "It's catastrophic for health plans to lose them until they're sick or injured."

Eligibility changes

What are the requirements, exactly, and who will be affected?

In 2027, the U.S. Centers for Medicare and Medicaid Services will require all adults ages 19 to 64 to meet work requirements in order to qualify for coverage.

Med-QUEST will require adults to enroll at least half time in an educational program, or work or volunteer 80 hours in at least one month of the previous six months to reenrollment. The 80 hours can be a combination of the three.

Another option is to show proof of household income of $580 or more in at least one of the previous six months.

Adults who are blind, disabled or pregnant are exempt, as are parents and guardians of a child under 14, and caregivers of a disabled individual. People with serious mental conditions or substance abuse problems are exempt as well, along with those living in a national disaster area.

While Alaska Natives and American Indians are exempt from the work requirements, Native Hawaiians are not.

The department recommends that members create an online account and make sure their contact is updated at mybenefits.hawaii.gov.

DHS in July sent notices to impacted adult members explaining the new federal requirements. Nichols said a second notice will be sent four months prior to each member's renewal, asking for documents and attestations demonstrating how they are exempt or how they have met the new work requirements.

"The best and easiest way to do this is by uploading information to their online Med-QUEST account," said Nichols.

DHS will send a third notice a month before renewal dates to know if members have been renewed or need to provide more information.

AlohaCare, one of Hawaii's top Med-QUEST insurance providers, is also trying to make sure its members stay enrolled.

Besides creating an informational website and a social media toolkit, AlohaCare is working with community partners to help members navigate the reenrollment process, particularly those with new work requirements.

"We'll be engaging our health coordinators and care navigators," said Mike Nguyen, senior director of external affairs. "We will do outbound phone calls and text messages to say, 'Hey we're here to help.'"

He estimates about a third of AlohaCare's 66,000 members are enrolled in the Affordable Care Act adult expansion pathway and may face these new work requirements.

Fuzzy on details

Despite these efforts, it remains unclear how many Med-QUEST members know about the new work requirements.

Luke Toy, fund development coordinator at Palama Settlement, said older adults seem more aware of the upcoming changes while those in their 20s to 30s do not.

Older adults generally seem less concerned, he said, believing they qualify for exemptions, while younger adults have not given much thought to how they will fulfill work requirements.

With the deadline just a little over a month away, some healthcare providers said they are fuzzy on the details of how reenrollment and verification will work, exactly.

DHS has a "Stay Well, Stay Covered" website outlining the new requirements, with tips on how to meet them.

The department advises members to save their pay stubs and ask for official proof of enrollment from schools. Volunteer work should be within a structured program, overseen by a public or nonprofit group that tracks volunteer time.

Bev Harbin, CEO of Wahiawa Health, says the rules are unclear, and there are still a lot of unknowns.

Hawaii has not yet provided a list of "medical frailty" exemptions, including specific diseases, she said, while other states have a comprehensive list. These might include chronic diabetes, heart conditions or other ailments that put people in a wheelchair.

"I feel like we don't really have policy direction from the state," she said. "I don't think they quite know what to do, either."

Wahiawa Health in August became a fully funded, federally qualified health center, which gives it enhanced Medicare and Medicaid reimbursements to serve medically underserved populations. The nonprofit recently opened Waialua Health Clinic to serve Oahu's rural North Shore community.

While celebrating these milestones, Harbin fears healthcare in Hawaii is heading toward a crisis as enrollment in Med-QUEST continues dropping.

"It's been a slow, slow process," she said. "But every month, there's more of a drop."

This, in turn, will have a major financial impact on Hawaii's health centers that primarily serve Medicaid and Medicare patients in rural areas.

The goal of these health centers is to serve as a safety net — to prevent people from getting sicker and going to the ER, which adds an additional burden on the system.

"We can do our best to try to develop programs," said Harbin, "but bottom line is the state is going to have to step up and find some way to cover these losses with nonfederal dollars. We're talking $250 to $300 million of losses to health centers over the next years."

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